

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this Document in connection with our Group and our business. The meaning of these terms may not necessarily correspond to standard industry meaning or the usage of these terms.

“Adidas FCC”	FCC stands for Future City Concept, a dedicated product line under the Adidas brand. Adidas FCC stores and associated online channels are designed to expand Adidas’ consumer base by offering more accessible and value-oriented products that cater to diverse consumer preferences and purchasing power
“Centralized Inventory Mechanism”	a system enabling unified allocation and management of merchandise across all stores nationwide
“Digital Management”	the application of digital tools and systems to streamline business processes and decision-making
“Generation Z”	the demographic cohort born roughly between the late 1990s and the early 2010s, characterized by growing up in a fully digital and connected world
“GMV”	Gross Merchandise Value, the total value of merchandise sold through all channels during a specific year or period after discount and before any product return
“Green Manufacturing”	manufacturing processes that minimize environmental impact through eco-friendly materials and technologies
“HLA”	the brand series including HLA brand (海瀾之家), Hieiika (海一家) and HLA Jeans (黑鯨)
“Instant Retail”	a retail model enabling consumers to purchase products for rapid or immediate delivery, often leveraging digital platforms and local logistics
“Omni-channel”	integrated retail approach combining offline stores, e-commerce platforms, and social commerce
“Product Development Data Center”	a centralized hub for managing design innovation, trend analysis, and product iteration data
“Retail Operations Decision System”	a system providing analytics on store performance, customer behavior, and sales trends to support operational decisions
“RFID”	radio frequency identification technology used for product lifecycle tracking and intelligent inventory management
“SAP enterprise system”	an integrated suite of business management software that enables organizations to streamline and automate core processes within a unified digital platform.

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“Smart Factory”	a manufacturing facility utilizing AI, IoT, and 5G technologies for digitalized and automated production
“Urban Outlet”	a multi-brand discount retail format located in urban areas, distinct from traditional suburban outlets